



MARKET PROFILE



*"Fremont is a great
place to do business.
I guarantee it."*

George Zimmer, Founder and CEO
Men's Wearhouse
Headquartered in Fremont

WELCOME!

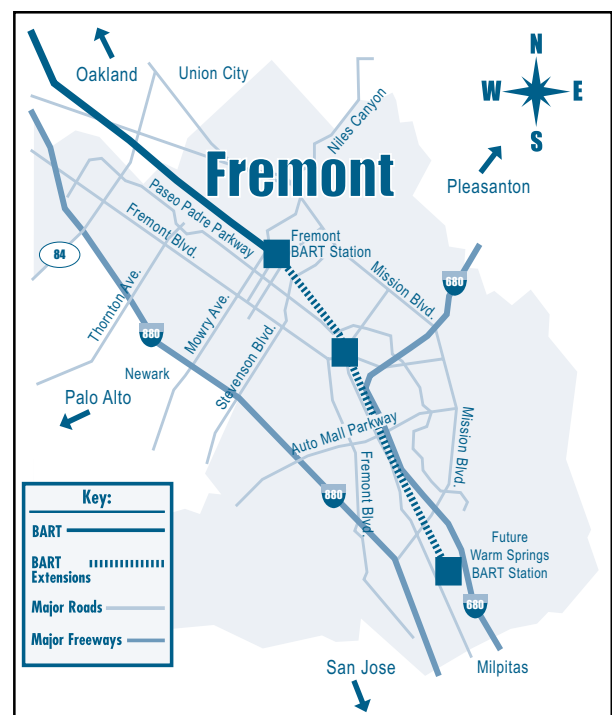
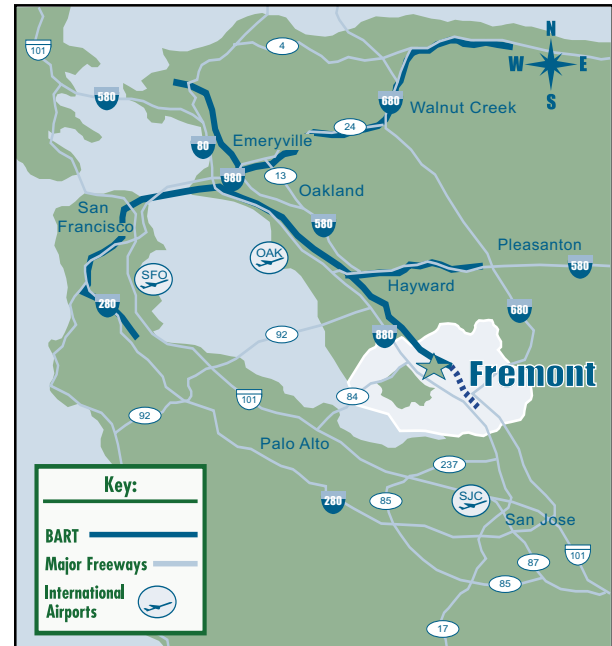
Fremont is a progressive city of over 208,000 people located within Silicon Valley. The 4th largest city in the San Francisco Bay Area, Fremont enjoys a vibrant and well-diversified globally connected economy of over 1,200 high-tech firms within its eight business districts.

LOCATION AND ACCESS

Fremont is strategically located in southern Alameda County, just 15 miles from San Jose and Palo Alto, and has easy access to a variety of transportation alternatives. Interstate 880, located on the western side of Fremont, provides a direct link to San Jose in the south and Oakland to the north. Interstate 680 flanks Fremont on the east and is the major corridor from Pleasanton and Contra Costa County communities. State Highway 84 also provides access from the Peninsula communities of Palo Alto, Menlo Park, and Mountain View.

The Bay Area Rapid Transit (BART) system provides access to much of the Bay Area with a BART station conveniently located in Downtown Fremont. Two future BART stations are planned for the Irvington and Warm Springs districts. The BART extension to San Jose will add to Fremont's well-established transit links. The Amtrak Capitol Corridor train provides Fremont with direct connections to both Sacramento to the north and San Jose to the south, and the Altamont Commuter Express (ACE) train travels from San Joaquin County to Santa Clara.

Fremont also is within close proximity to three international airports, San Francisco, Oakland, and San Jose, and to the Port of Oakland.





“The city’s development climate is business-friendly, encouraging growth and acknowledging success. In this location, we’ve grown even beyond our dreams, and we look forward to maintaining our corporate headquarters here for years to come.”

Daniel Borel, Chairman of the Board and Co-Founder
Logitech Inc.

FREMONT'S BUSINESS CLIMATE

City leaders have embraced economic development as the cornerstone of Fremont's future. Policy decisions are driven by plans to improve Fremont's economic vitality and achieve the vision of “A diverse, strong, and adaptable economy where businesses can be successful in the global economy and where residents and visitors can enjoy high-quality commercial amenities.”

According to a recent report by *Strategic Economics*, Fremont's overall economic picture is positive. Fremont's growth far outpaced that of the rest of the region in the 1990s, with employment expanding by over 60% from 1992 to 2000.

RETAIL TRADE AREA

The City of Fremont (Primary Trade Area) has a population of over 208,000 residents and more than 73,000 households. The cities of Newark, Milpitas, and Union City (Secondary Trade Area) have an additional population of over 172,000 residents in more than 51,000 households.

This Primary Trade Area has more households than Orlando, FL, or Scottsdale, AZ, and includes 30,000 households with incomes over \$100,000. The average household income in Fremont is over \$105,000. This favorable market is ripe for supporting new comparison shopping, specialty retail, and upscale restaurants.

FREMONT'S RETAIL OPPORTUNITY

The population and income base for Fremont and its surrounding areas compare favorably to the region's most prominent pedestrian-oriented retail centers.

Demographics	Primary Trade Area	Secondary Trade Areas			
	Fremont	Union City	Milpitas	Newark	
Population	208,600	65,750	63,525	42,770	
Households	73,067	19,381	18,231	13,517	
Household Income > \$50,000	56,861	14,370	15,263	10,880	
Household Income > \$100,000	29,478	6,899	9,426	5,334	
Avg. Household Income	\$105,603	\$94,410	\$117,832	\$96,540	

Source: Claritas 2001 Estimates

Surrounding Population (From Fremont Blvd. and Mowry Ave.)	5 Mile	10 Mile
Population	272,396	544,980
Households	92,821	184,454
Avg. Household Income	\$99,644	\$95,164
Median Age	35.1	35.1
College Graduates	35.9%	33.4%
Median Home Value	\$386,267	\$373,331

Source: Claritas 2001 Estimates

Avg. Household Income	5 Mile	10 Mile
Capitol Avenue, Fremont	\$99,644	\$95,164
Bay Street, Emeryville	\$60,650	\$64,228
Broadway Plaza, Walnut Creek	\$85,897	\$96,756
Santana Row, San Jose	\$86,689	\$101,883

Source: Claritas 2001 Estimates



"We moved our headquarters to Fremont because the City offers growing biotech companies like Scios attractive real estate terms, spacious, well-designed buildings and campuses, and a very favorable working-environment for our employees."

David W. Gryska, CFO, Scios Inc.



BUSINESS DISTRICTS

- ***Ardenwood:***

Home of the Ardenwood Technology Park, one of the most prominent biotech and high-tech hubs in the San Francisco Bay Area.



- ***Centerville:***

The international flavor and active business and residential communities add to its pedestrian-friendly character.



- ***Irvington:***

Home to the Broadway West Theatre Company, cafés, successful boutiques, and upscale and international restaurants with charming storefronts along Bay Street and adjoining streets.



- ***Niles:***

A charming center of antique stores, specialty shops, and eateries along its main street, Niles Boulevard. The City of Fremont and Niles property owners have combined efforts to establish Niles as a regional destination for artisans, specialty retailers, and restaurants.



- ***Baylands:***

Prime location for Fremont's hotel, auto dealer, and globally connected high-tech business community.



- ***Downtown:***

Currently in the planning stages to become the premier pedestrian-scale, mixed-use, lifestyle center serving the East Bay.



- ***Mission San Jose:***

A charming business community bordering Ohlone College, this district offers many fascinating historical and cultural attractions and business opportunities. Ranked the 9th wealthiest neighborhood in the East Bay, this is an ideal location for upscale dining and retail.



- ***Warm Springs:***

Home to hundreds of Fremont's well-diversified high-tech firms in the industry clusters of software, hardware, telecommunications, and biotech.





"I have found the Redevelopment Agency and City staff to be helpful, positive, and encouraging. I feel good about working with the City and its departments."

Alan Heyman, Niles District
Business and Property Owner
Alan Heyman Custom Slip Covers



Redevelopment Project Areas

The City of Fremont Redevelopment Agency is dedicated to the revitalization of the historic commercial centers of Centerville, Irvington, and Niles, along with the Industrial (Baylands) Business District Redevelopment Project Areas.

Centerville:

This 302-acre Redevelopment Project Area lies within the Centerville Business District. The restoration of the Centerville Depot, streetscape and facade improvements, and the Centerville Bill Ball Plaza are key projects.

Irvington:

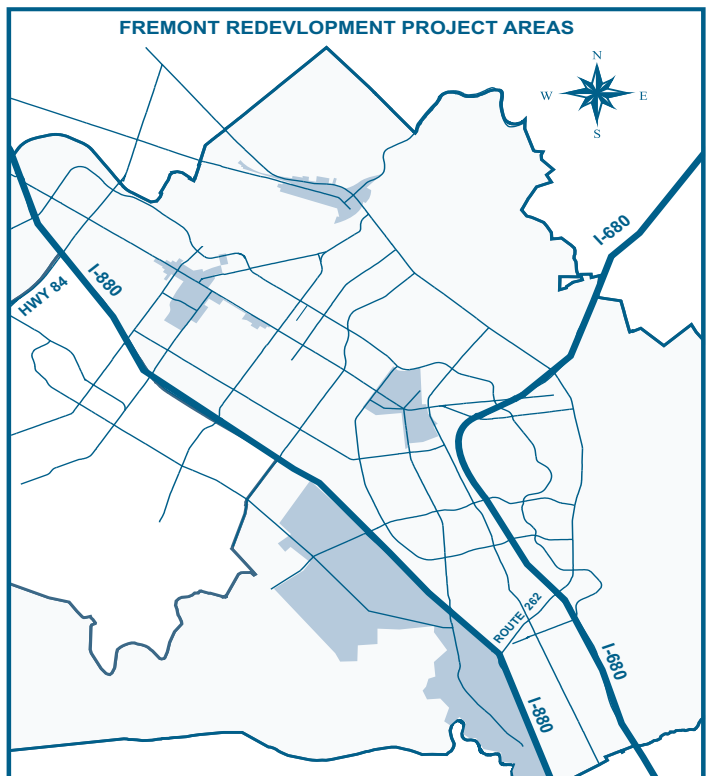
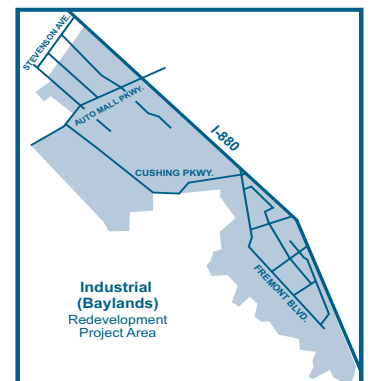
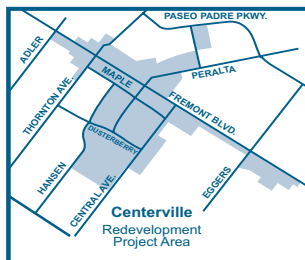
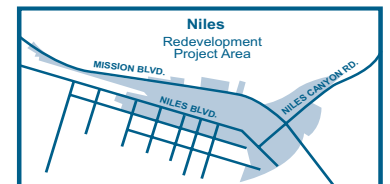
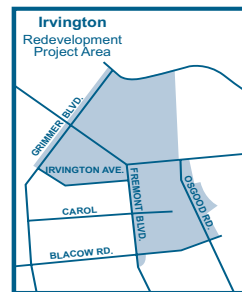
The 473-acre Irvington Redevelopment Project Area is within the Irvington Business District. A key component is the six-acre Monument Center located along Bay Street and Fremont Boulevard at the Five Corners intersection. The Agency is actively working with a developer on a mixed-use retail project at this site.

Niles:

The Redevelopment Agency is actively developing a comprehensive retail marketing and business recruitment strategy to attract new retail stores to the 68-acre Niles Redevelopment Area. Current redevelopment projects in Niles also include the Union Pacific (UP) property development and Town Center.

Industrial (Baylands)

The 3,000-acre Industrial Redevelopment Project Area lies within the Baylands Business District. Completion of two major interchanges at Interstate 880/Mission Boulevard, and Interstate 880/Dixon Landing Road, as well as the widening of Interstate 880 will allow the area to realize its full potential as a strategically located business destination.





"...Fremont's workforce and academic population base have grown to become significant components of Fremont's environment and thus present opportunities for commercial and retail growth and expenditure."

Thomas Consultants
Development Strategists



DEMOGRAPHICS

Population

Fremont's population of 208,600 is the fourth largest in the San Francisco Bay Area, and 14th largest in California.

Household Income

Forty percent of Fremont's population earns \$100,000 or more a year.

Fremont's Rank in the Bay Area

Rank		January 1, 2002
1	San Jose	918,800
2	San Francisco	793,200
3	Oakland	409,300
4	Fremont	208,600
5	Hayward	140,030
6	Sunnyvale	132,900
7	Concord	123,900
8	Berkeley	104,600
9	Santa Clara	104,300
10	Richmond	101,100

Source: California State Department of Finance

Under \$10,000.....	3%
\$10,000 - \$14,999.....	2%
\$15,000 - \$24,999.....	4%
\$25,000 - \$34,999.....	5%
\$35,000 - \$49,999.....	9%
\$50,000 - \$74,999.....	18%
\$75,000 - \$99,999.....	19%
\$100,000 - \$149,999.....	21%
\$150,000 and over.....	19%

Source: Claritas 2001 Estimates

Housing

Fremont offers a diverse range of housing, from single-family residential to condos to live/work lofts to million dollar custom homes. The wide variety of available housing is sure to meet the needs of any buyer or renter.

Education

Fremont has a highly skilled and educated workforce with 64% having some college and 30% having graduate and/or Bachelors degree(s).

Median Housing Prices

Median Price - Single Family Dwelling: \$420,000¹

Median Price - Condominium: \$285,000¹

Single-Family Units: 48,381²

Multi-Family Units: 23,006²

¹Bay Area Association of Realtors, 2002

²City of Fremont Development & Environmental Services, 2002

Elementary School.....	4%
Some High School.....	9%
High School Graduate.....	23%
Some College.....	34%
Bachelors Degree.....	20%
Graduate Degree.....	10%

Source: Claritas 2001 Estimates



“For New United Motor (NUMMI), Fremont has provided an excellent business environment. Access to a world-class port and freeway systems to support just-in-time logistics, the availability of qualified and motivated workers, and a city government which acts like a true partner have all been important ingredients to NUMMI’s success.”

Kanji Ishii, President and CEO
New United Motor Manufacturing Inc.



Age

Fremont is a family-oriented community with a large population of adults entering the acquisition phase of life (ages 18-34 years).

Under 14 years.....	21.8%
15 to 24 years.....	11.7%
25 to 34 years.....	17.3%
35 to 44 years.....	19.5%
45 to 54 years.....	13.7%
55 years and over.....	16.0%

Source: 2000 U.S. Census

Fremont Companies Among the 100 Largest Public Companies in Silicon Valley

Lam Research (#31)
Read-Rite Corp. (#56)
Asyst Technologies (#65)
Avant! Corp. (#74)
ChipPAC (#82)
ESS Technology Inc. (#93)
Mattson Technology (#100)

Source: Silicon Valley/San Jose Business Journal, 7/02

Fremont Companies Among the 100 Fastest-Growing Public Companies in Silicon Valley

Avanex Corp. (#21)
Centillum Communications Inc. (#26)
@Road Inc. (#31)
Fusion Medical Technologies Inc. (#32)
Asyst Technologies Inc. (#38)
Ciphergen Biosystems Inc. (#39)

Source: Silicon Valley/San Jose Business Journal, 7/02

Ethnicity

Fremont is one of the most culturally diverse communities in the country with over 100 different languages spoken.

African American or Black.....	3.0%
American Indian & Alaska Native.....	0.3%
Asian.....	36.8%
Hispanic or Latino (of any race).....	13.5%
Native Hawaiian & Other Pacific Islander....	0.4%
White.....	41.4%
Other.....	4.7%

Source: 2000 U.S. Census

Fremont Companies Among the 100 Largest Private Companies in the Silicon Valley

Synnex Information Technologies Inc. (#2)
New United Motor Manufacturing Inc. - NUMMI (#3)
ASI Corp. (#9)
PDP Systems Inc. (#24)
LeeMAH Electronics Inc. (#25)
Flash Electronics Inc. (#36)
Wellex Corp. (#57)
Tiburon Inc. (#65)
Cellotape Inc. (#84)
Unitek Information Systems Inc. (#96)
DSS Software Technologies Inc. (#97)
SoftSol Resources Inc. (#99)

Source: Silicon Valley/San Jose Business Journal, 7/02



“The City of Fremont, being part of Silicon Valley, has a mixed labor force of skilled and technical individuals. Having convenient access to this type of local labor pool ensures the output of our products have a high degree of excellence.”

Chin Fan, President
Flash Electronics, Inc.



Labor Force

Fremont residents are well educated with 64% having some college education. 30% of Fremont residents have a graduate and/or Bachelors degree. Fremont’s highly skilled and educated labor force, coupled with a current daytime employment population exceeding 109,000, is a substantial talent pool from which to attract new employees.

Total # of Jobs in the City: 113,730

Unemployment Rate: 4.4%

Source: California State Employment Department, 9/02

Employment Base

Fremont fosters a vibrant and well-diversified globally connected economy with a varied distribution of employment in many different industry groups.

Employment Distribution

<u>SECTOR</u>	<u>% OF TOTAL JOBS</u>
Agriculture/Fish/Forestry/Mining	0.2%
Public Administration	2.5%
Construction	4.1%
Transportation/Warehousing/Utilities	4.1%
Wholesale Trade	4.4%
Information	4.8%
Retail Trade	11.3%
Educational, Health & Social Services	13.2%
Manufacturing	26.9%
Services	28.5%

Source: 2000 U.S. Census

Fremont posted strong employment growth over the period 1992 to 2000, adding nearly 36,000 net jobs, a 61.4% expansion—significantly more than either Alameda County or the region.

Several industry groups stand out for their high growth rates. Three of these—biotechnology, software, and new economy manufacturing—are information-based industries. They grew by 536%, 447%, and 133%, respectively from 1992 to 2000.

Fremont Companies Among the 100 Fastest-Growing Private Companies in Silicon Valley

Flash Electronics Inc. (#14)
Unitek Information Systems Inc. (#20)
Maita-Saviano Public Relations (#22)
Milestone Technologies Inc. (#25)
DSS Software Technologies Inc. (#26)
Wellex Corp. (#31)
Clean Sciences Inc. (#39)
SoftSol Resources Inc. (#58)
Tiburon Inc. (#59)
Bliss Industries Inc. (#77)
Cellotape Inc. (#83)
Synnex Information Technologies Inc. (#86)
Assembly Connections Inc. (#95)

Source: Silicon Valley/San Jose Business Journal, 7/02

2002 Fremont Companies Among Deloitte & Touche “Silicon Valley Technology Fast 50”

Centillum Communications Inc. (#8)
Accrue Software Inc. (#13)
Virage Logic Corp. (#20)
Fusion Medical Technologies Inc. (#21)
VA Software Corporation (#30)
Lexar Media Inc. (#44)
SangStat Medical Corp. (#48)

Source: Deloitte & Touche, 11/02

2002 Fremont Companies Among Deloitte & Touche Top 5 Rising Stars

Avanex Corp. (#1)

Source: Deloitte & Touche, 11/02



"Fremont has been an ideal business environment for Bema Electronics since its inception in 2000. This has contributed to the continuing success of Bema's electronics manufacturing services."

Helen Kwong, President and Founder
Bema Electronics, Inc.



Fremont's Corporate Citizens Include:

Biotechnology

Abgenix Inc.
Achi Corporation
AlgoRx Technologies Inc.
American Surgical Devices
Baxter Healthcare
Biokey Inc.
Boston Scientific Corp.
Cardima Inc.
CIPHERGEN Biosystems Inc.
DiscoverX
DNA Sciences
Fusion Medical Technologies
Kodak Health Imaging
Lab Vision Corp.
Lumicyte Inc.
Matrix Pharmaceuticals Inc.
Microgenics Corp.
Protein Design Labs Inc.
SangStat Medical Corp.
Scios Inc.
Spectra Laboratories Inc.
Sunrise Technologies Inc.

High-Tech

@Road
Accrue Software Inc.
Altigen Communications, Inc.
AMAX Engineering Corp.
Amber Networks
ASI Corp.
Asyst Technologies Inc.
Avanex Corporation
Avant! Corporation
AXT
Bema Electronics, Inc.
Centillum Communications Inc.
Chahaya Optronics Inc.
ChipPAC
ESS Technology Inc.
ELO Touchsystems
EXAR Corporation
Flash Electronics Inc.

Intel
Lam Research Corp.
Lexar Media Inc.
Logitech Inc.
LSI Logic Corp.
Mattson Technology Inc.
Milestone Technologies
Mylex Corp.
Net.com
PDP Systems
Primanex
Read-Rite Corp.
Seagate Magnetics
Smart Modular Technologies
Sumitomo Mitsubishi Silicon Group
Synnex Information Technologies
Therma Wave Inc.
Tiburon Inc.
VA Software Corp.
Virage Logic Corp.
Volex Inc.
Wavesplitter Technologies

Auto Dealerships

Autowest Dodge Chrysler Isuzu
Autowest Honda
Autowest Mitsubishi
Autowest Toyota
Central Chevrolet
Claridge's BMW
Claridge's Mercedes-Benz
Claridge's Porsche
Magnussen's Lexus

Hotels

AmeriSuites Silicon Valley
Belvoir Springs Hotel
Courtyard by Marriott
Crawford Suites
Extended Stay America
Fremont Marriott Hotel
Garden Court Inn
Hampton Inn

La Quinta Inns & Suites
Lord Bradley's Inn
Marriott Residence Inn
Mission Peak Lodge / Howard Johnson
Express Inn
StudioPLUS

Major Retail

Barnes & Noble
Bed Bath & Beyond
Big 5 Sporting Goods
Borders
Casual Male Big & Tall
Costco
Cost Plus World Market
Dale Hardware
Fry's Electronics
Home Depot
Levitz Furniture
Michaels
Office Depot
Pier 1 Imports
REI
Scenario Game & Hobby Shoppe
Smith's Home Furnishings & Thomas
Kinkadee Gallery
Target
Trader Joe's
Tri-City Sporting Goods
Western Appliance TV & Stereo
Wherehouse Music

Other

e21 Corp.
Far East National Bank
Fremont Bank Corp.
New United Motor Manufacturing
Inc. (NUMMI)
San Francisco Herb & Natural
Food Co.
Sysco Food Services
The Men's Wearhouse (Headquarters)

“Fremont is a well developed city with one of the lowest crime rates in the country, thus providing a safe and secure place to live and work.”

Jerry Shih, President
AMAX Engineering Corporation



EXCEPTIONAL QUALITY OF LIFE

Fremont provides an exceptional quality of life for residents and businesses, with unrivaled amenities such as award-winning public schools, a large parks system, and a low crime rate. Fremont has earned high marks for its schools, safety, “kid-friendliness,” fire protection and other municipal services. Fremont citizens can expect first-rate local services, including a highly rated public education system, excellent public safety services, and an array of recreation and leisure activities.

Parks and Recreation

One of the most acclaimed recreational facilities in the region is Fremont’s 434-acre Central Park, with 80-acre Lake Elizabeth as its showcase. The Fremont Community Center, Senior Citizens Center, and Main Library are all located at Central Park. Central Park is one of over 50 well-maintained parks in Fremont.

In addition, Fremont has four community centers, three activity centers, 36 tennis courts, more than 250 picnic areas, and over 40 sports facilities. The City of Fremont sponsors over 60 adult sports leagues, 200 summer camps, and 12,000 educational and recreational classes with such diverse offerings as early childhood enrichment, dance, arts and crafts, gymnastics, horseback riding, and computers.

Regional and National Parks

Fremont is home to regional and national parks and trails, including the Alameda Creek Regional Trail, Coyote Hills Regional Park, Don Edwards San Francisco Bay National Wildlife Refuge, Mission Peak Regional Preserve, and the newly opened Quarry Lakes Regional Recreation Area.

COMMITMENT TO LIFELONG LEARNING

Fremont is committed to lifelong learning for its residents and provides ongoing opportunities to succeed from K-12 to college and beyond.

The Fremont Unified School District (FUSD) is recognized as one of the top ranking school districts at both the state and national levels in student achievement. The District includes 30 elementary schools, five junior high schools, five comprehensive high schools, and a continuation high school.

Quality advanced education is accessible within Fremont at any one of the following higher educational facilities:

- Ohlone College (community college)
- DeVry University and Keller School of Management
- Northwestern Polytechnic University (NPU)
- Silicon Valley College (SVC)
- University of California, Berkeley Extension

A number of world-renowned colleges and universities are within 30 miles of Fremont, including:

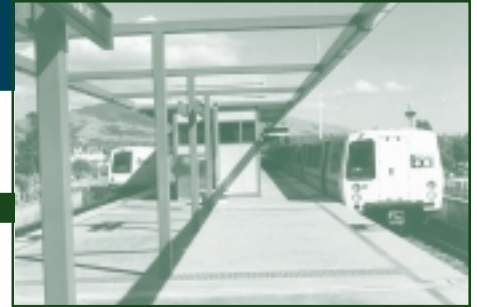
- University of California, Berkeley
- Stanford University, Palo Alto
- California State University, Hayward
- California State University, San Jose
- St. Mary’s College, Moraga
- Santa Clara University

Fremont’s close proximity to universities and nationally recognized research institutions reaps rich dividends for employers looking for a highly skilled and educated workforce. In addition, four national laboratories and research centers are conveniently located near Fremont: Lawrence Livermore Laboratory, Lawrence Berkeley Laboratory, Sandia National Laboratory, and NASA Ames Research Center.



“Fremont’s growing Asian community and the concentration of high-tech companies give Far East National Bank a significant opportunity to expand its business franchise in Northern California.”

Nancy Y. Lee, Vice President and
Fremont Branch Manager
Far East National Bank



TRAFFIC COUNTS

ARDENWOOD

I-880 (between Paseo Padre Pkwy. / HWY 84-Decoto Road)	189,000 vehicles per day
HWY 84/Decoto Rd. (between Paseo Padre Pkwy. / Thornton Ave.)	65,000 vehicles per day

CENTERVILLE

Fremont Blvd. (between Decoto Rd. and Thornton Ave.)	28,000 vehicles per day
Fremont Blvd. and Peralta Blvd.	38,000 vehicles per day
Fremont Blvd. (between Central Ave. and Mowry Ave.)	30,000 vehicles per day
Thornton Ave. (between I-880 and Fremont Blvd.)	30,800 vehicles per day

IRVINGTON

Fremont Blvd. (between Stevenson Blvd. and Washington Blvd.)	36,400 vehicles per day
Fremont Blvd. and Washington Blvd. (Five Corners)	59,300 vehicles per day
Fremont Blvd. (between Washington Blvd. and Auto Mall Pkwy.)	32,100 vehicles per day

NILES

Mission Blvd. and Niles Canyon Road	59,300 vehicles per day
Mission Blvd. (between Nursery Ave. and Walnut Ave.)	35,600 vehicles per day
Niles Blvd. (between Nursery Ave. and Mission Blvd.)	15,200 vehicles per day

BAYLANDS

I-880 (between Stevenson Blvd. and Auto Mall Pkwy.)	170,000 vehicles per day
I-880 (between Auto Mall Pkwy. and Fremont Blvd.)	160,000 vehicles per day
I-880 (between Route 262 and southern City Limit)	168,000 vehicles per day

DOWNTOWN

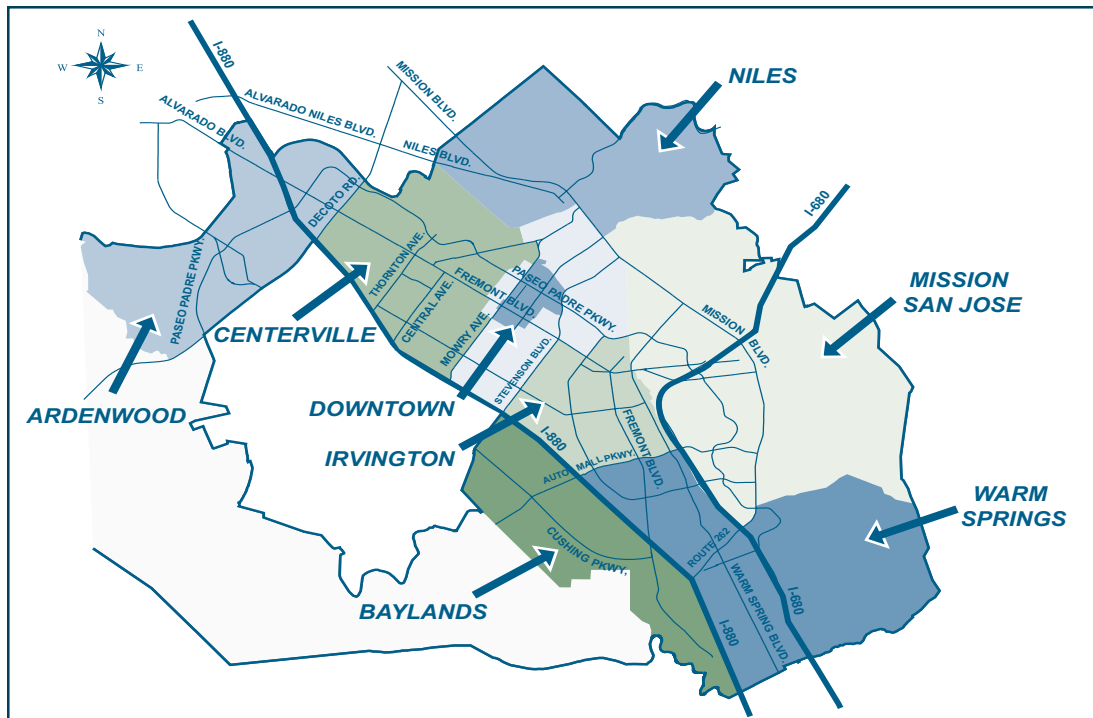
Fremont Blvd. and Mowry Ave.	75,000 vehicles per day
Fremont Blvd. and Walnut Ave.	46,550 vehicles per day
Paseo Padre Pkwy. and Mowry Ave.	65,000 vehicles per day
Paseo Padre Pkwy. and Walnut Ave.	45,500 vehicles per day

MISSION SAN JOSE

Mission Blvd. and I-680	44,900 vehicles per day
Mission Blvd. and Washington Blvd.	29,000 vehicles per day
Mission Blvd. (between I-680 and S. Grimmer Blvd.)	29,700 vehicles per day

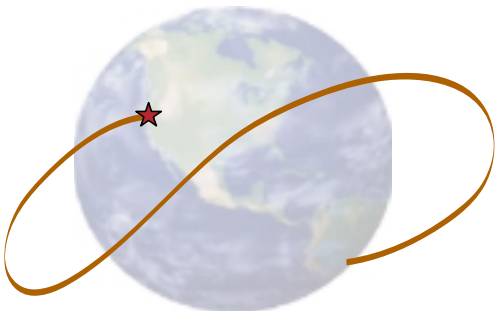
WARM SPRINGS

Route 262 (between I-880 and I-680)	68,100 vehicles per day
Warm Springs Blvd. (between Grimmer Blvd. and southern City Limit)	28,600 vehicles per day
I-680 (between Auto Mall Pkwy. and southern City Limit)	130,000 vehicles per day
I-880 (between Auto Mall Pkwy. and southern City Limit)	161,100 vehicles per day





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Fremont: "Where Main Street Meets the World!"